

THE ORGANIC GROWTH OF BIODYNAMIC WINES

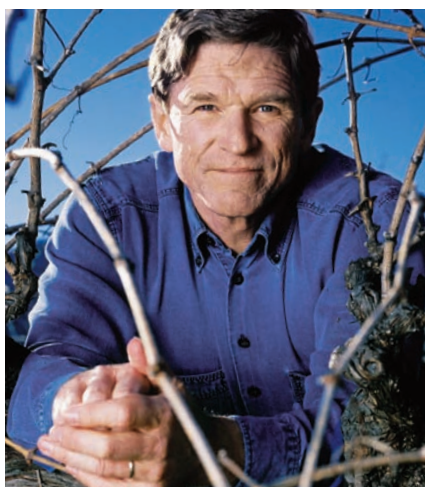
The American wine market, a world of critter brands, organic certification and appellation wines, is already confusing enough to the average consumer. But the emerging biodynamic category may manage to achieve the sales that organic wines haven't, suggests Larry Walker.

Organic wine sales in the United States have never hit the pace that many expected. While organic food sales in general are growing at a 20% plus annual rate, organic wine sales have lagged. So it is a little surprising to find some optimism by producers of biodynamic wines, a category that would seem even more difficult to establish. However, participants and speakers at a Biodynamic Wine Forum held in San Francisco last November were cautiously upbeat. Mike Benziger, of Benziger Family Vineyards, said 2007 was the 'tipping point' for biodynamic wines.

"Biodynamic wines are perceived by the trade as very high quality wines on a global level. Retailers and restaurants are getting behind the wines in a big way. However, they are a hand sell," he said. "We have found that retailers who are out on the floor selling the wines are a big help." That, though, can be said about all wines. More to the point, he continued that "those restaurants that feature fresh local produce and really care about the food can be a huge help. They get what we are trying to do."

Benziger added, "To be honest, consumers are still somewhat confused by the nomenclature, what is biodynamic, what is organic, but they are very sensitive now to environmental issues and biodynamic wines are seen as a holistic and friendly approach to the earth."

There is also some confusion over the definition of an organic wine. In Europe, producers are allowed to add sulfites to wine to enhance stability. In



»» Biodynamic wines are not a rich man's game, but a committed farmer's game. ««

Paul Dolan, winemaker

the United States, a wine with sulfite added cannot be labeled as fully organic. Instead, the label may only bear the mention that the wine is made from organically grown grapes. Wines made without the addition of sulfites have often been of uneven quality, especially in the 1980s and early 1990s, when many domestic winemakers were still learning to deal with the issue.

Benziger agreed that the image of organic wines has been hurt by the quality of some wines. "With biodynamic, however, we've got a chance to do it right and let the wine speak for itself," he said. "If you lose credibility in dealing with environmental issues, like organic wines or biodynamic wines, it's very difficult to recover it."

Benziger first introduced a biodynamic (BD) wine in 2002. At the time, it was a small part of the winery's production. "We soon realized that the trade and the public demanded that we go all the way. We started working with growers and put a program in place in 2003. For the first time in 2007, all of our grapes were certified biodynamic or organic or sustainable."

But how does a BD wine differ from an organic wine? The easy answer is that BD wines are a step beyond organic. Both kinds of producers reject the use of chemical fertilizers, pesticides, herbicides, fungicides or fumigants. No hormones, antibiotics, growth regulators or genetically modified organisms can be used, the same as with organic growers.

All clear so far, but when you get into biodynamics, it becomes difficult if not impossible to offer a brief definition. Privately, some producers agree that consumer confusion is only natural when biodynamic viticulture involves farming practices that seem downright weird (see box for more information). An international organization called Demeter is the major certifying agency for biodynamic agriculture.

Although there is plenty of paperwork, certification is not just a matter of filling in a few forms. It involves a three year program following guidelines related to cover crops, crop rotation and the protection and creation of wild spaces on the farm, as well as the use of certain biodynamic preparations.

The concept of biodynamic agriculture dates back to 1924 and comes from the work of Austrian philosopher

Rudolph Steiner. Demeter defines a biodynamic farm as one that is managed “as a living organism.” This is not a very useful definition, as there are certainly conventional growers who take very good care of their vines as well. Beyond that, one must then set about defining the farm as a ‘living organism.’ It is, as a critic suggested, a definition that could equally well be applied to the entire known universe.

Confront the average wine consumer with that definition and he or she might well respond “That’s great. But what does it have to do with the wine in the bottle?”

Jim Fetzer, a member of the family that has pioneered both organics and biodynamics in California, was able to offer a little help. Fetzer is the founder of Ceago Vinegarden in Lake County in northern California, which he established after the Fetzer family winery was sold to Brown-Forman. He briefly defined the basic principles of biodynamic viticulture (see ‘snap definitions’), then brought the concept into the modern wine market: “With biodynamics, we show the authentic expression of terroir opposed to the synthetic expression of conventional wines.” Without getting into a discussion of what is an ‘authentic’ expression of terroir - can there be an ‘inauthentic’ expression of terroir? - critics of the biodynamic approach claim with some justification that such wines cannot be identified in a blind tasting.

Who drinks biodynamic wine?

The wine consumer familiar with the concept of terroir is likely a good potential customer for biodynamic wines, when given Jim Fetzer’s definition. Today’s savvy wine drinkers like to hear a story, and the story of terroir is a popular one. “A true biodynamic farm with all its diversity of plant and animal life makes for an attractive and interesting story which is what the press is looking for, especially outside the wine press. It is another way of reaching the consumer and hopefully educates them and leads them to our product,” Fetzer said.

SNAP DEFINITIONS

Biodynamic

- **Create diversity on the farm, not monoculture.**
- **Have a crop rotation program, between the vine rows and orchards.**
- **Utilize the nine preparations which biodynamic followers believe enhance soil quality and stimulate plant life. They consist of mineral, plant, or animal manure extracts, usually fermented and applied in small proportions to compost, manures, the soil, or directly onto plants, after dilution. They are numbered 500-508. The 500 preparation (horn-manure) is made from cow manure (fermented in a cow horn that is buried in the soil for six months through autumn and winter) and is used as a soil spray to stimulate root growth and humus formation. The BD 501 preparation (horn-silica) is made from powdered quartz, packed inside a cow horn and buried in the soil for six months through spring and summer, and applied as a foliar spray to stimulate and regulate growth. The next six preparations, BD 502-507, are used in making compost, and include plant materials such as yarrow blossom, chamomile blossoms, stinging nettle, oak bark, dandelion flowers and valerian flowers. Preparation 508 is made from the horsetail plant and is used as a spray to suppress fungal disease.**
- **Incorporate animal life into the farm for food, pest and weed control. This can be done by allowing chickens, for example, to range through the vineyards or having other barnyard animals on the farm and using their manure in the compost. Some farms turn sheep loose in the vineyards in winter.**
- **Work with the ‘forces of nature’, be they solar, lunar or cosmic, in timing viticultural practices. Biodynamic producers are sensitive to charges of ‘witchcraft’ and voodoo science in regards to some of these practices, such as farming by a lunar calendar and burying a cow horn containing composted cow manure in the soil. Paul Dolan and others say it is time to ‘get beyond’ this when it comes to selling the wines. However, such practices loom large in the biodynamic story (but not in the organic story) and certainly make good copy. If pressed, most growers fall back on the formula: “I don’t know how it works, but it does,” and point to the general health of the vines and the grapes. This, of course, is not going to satisfy the skeptic, nor should it. It seems that, like it or not, growers who choose the biodynamic system are simply going to have to grin and bear it.**

Organic

- **No chemically synthesized fertilizers, pesticides, herbicides, fungicides, or fumigants**
- **No hormones, antibiotics, growth regulators or genetically modified organisms (GMOs)**

Is there a direct impact on sales because a wine is organic or bio-dynamic? “There are niche markets where organic and biodynamic wines are going to do better and those are the markets we target. The wine has to be good to begin with and competitive with conventional wines so if the consumer is looking for a less manipulated, sustainable product, then these wines can fit the bill,” Fetzer answered.

Paul Dolan, who was the winemaker at Fetzer Vineyards for many years, working with both the Fetzer family and with Brown-Forman, said he

believed that wine consumers are interested in the biodynamic story. “They don’t know quite what to make of it, but they do get caught up in the passion of biodynamics. Getting the word out is real pick and shovel. It’s going out and telling the story to one person at a time. And, it’s true, the biodynamic story is much more complicated than the organic story.”

Dolan, who now has his own line of biodynamic and organic wines, Paul Dolan Wines, based in Mendocino County, is hardly a counter-culture poster boy. The current president

of the Wine Institute of California, he is a businessman who knows that he has to make a buck, but he also cares deeply about environmental issues. "You have to be passionate to pull people in. The great thing about biodynamics is that you start operating in a different way. Biodynamics is not about technology. It's about expanding our awareness of the land, about creating a whole new view. I've learned that my role is to listen to the land."

Biodynamics as marketing tool

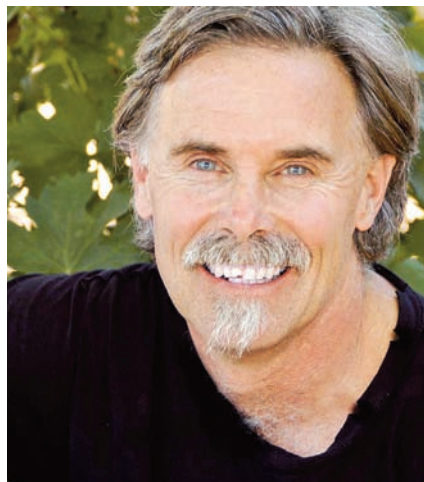
The passion that Dolan, and others, talked about might be hard to define as a marketing tool, but it plays well with today's green consumer. Patti Fetzer is Jim Fetzer's sister and part of the family that founded Fetzer Vineyards in the 1960s. She sees Patianna Vineyards, her biodynamic vineyard and winery in Mendocino County, as simply a logical development of the organic movement of the 1960s and 1970s in California.

"It all goes back to your beliefs. It is simply the right thing to do," she said, referring to biodynamic farming. "I think that because we feel strongly about biodynamics, it inspires the growers and the producers as well as the distributors."

One question that keeps coming up is the issue of cost: organic and biodynamic wines do cost more than conventional wines. Or do they?

Dolan and others argue that the retail price of organic or biodynamic wines is in line with the price of equal quality wines grown by conventional farming practices. "We don't charge more for our wines because they are organic," Dolan said. "We set the price based on the quality of the wine." Indeed, Dolan prices his biodynamic wines in the \$30s (€20), hardly expensive when matched against run-of-the-press Napa or Sonoma Chardonnay selling in the \$40s and \$50s.

Jim Fetzer said the initial cost of starting to farm organically or biodynamically might range between 10% and 20% more than conventional farming but that would depend on the vine-



»» People are very sensitive to environmental issues and biodynamic wines are perceived as pro-environment. ««

Mike Benziger, winemaker

yard. Also, year to year costs vary depending on whether growers make their own sprays and compost or buy specially prepared organic and biodynamic products (see box).

Mike Benziger pointed out that many of the labor intensive viticultural techniques, such as canopy management, leaf pulling and weed control add to farming costs but are also used in conventional grape growing, at least by growers who are intent on producing a superior crop. In short, this means that most organic wines are priced in relation to wine quality based on superior vineyards and intensive labor.

In the end, the only additional costs incurred to farm organically or biodynamically are those of certification, which are based on a per acre charge and can vary. Certification for both organic and biodynamic production must be done every year. This involves soil testing for traces of chemical fertilizers or pesticides, checking records for application of compost and other preparations and checking the overall health of the vineyards. Most producers believe the certification is

important as a kind of 'seal of authority' for consumers.

But in the end, the best 'seal of authority' is the wine itself. Randall Grahm, no stranger to wine crusades, believes that biodynamic wines are the best way to represent terroir. At this point, he is betting the farm on biodynamics, having sold his mass market Big House label to Constellation Brands in order to concentrate on biodynamic wines. Asked for his definition of terroir, he answered, "Terroir is the ability of a site to solve its problems and produce a wine that captures the place. Wine is a life force."

Grahm believes that biodynamic wines offer a chance to "have a different conversation about wine, not just talk about points."

The question is, will consumers want to participate in that 'different conversation'? Or will they stick to conventional wine chatter? ■

BY THE NUMBERS

The Organic Trade Association (OTA) estimates that organic food sales totaled \$16.9b (€11.5b) in 2006, the last year for which complete figures are available. That represents about 3% of all retail food and beverage sales and shows a growth rate of 22.1% over 2005. Organic wine sales are growing at a slower pace. (The OTA does not distinguish between organic wines and wines made from organic grapes.) According to OTA numbers, organic wine sales were about \$90m in 2006, a 13% increase over the \$80m recorded in 2005. Sales are expected to reach \$100m for 2007. Total US wine sales in 2007 are expected to top \$28b.

By 2007, California Certified Organic Farmers (CCOF) had certified 9,240 acres of organic vineyards in California, out of a total of more than 550,000 acres. (Organic acreage outside California is insignificant.) There are an estimated 1,500 acres of biodynamic vineyards, either certified or in transition.



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